

Message Text

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11

ACTION OPIC-06

INFO OCT-01 EA-07 ISO-00 EB-07 TRSE-00 AID-05 /026 W

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R 170545Z JUL 76

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 891

LIMITED OFFICIAL USE BANGKOK 20252

DEPT PASS OPIC

E.O. 11652: N/A

TAGS: EFIN, TH

SUBJECT: POTENTIAL CLAIM UNDER OPIC EXPROPRIATION COVERAGE -
CONSOLIDATED AMERICAN SERVICES, INC.

REF: BANGKOK 17087

1. MR. ERNEST WOLFE (REFTEL) CALLED AT EMBASSY JULY 16 TO DISCUSS POSSIBLE CON-AM (AUTOMATION INDUSTRIES) SUBMISSION OF CLAIM ON OPIC INSURANCE. COMMERCIAL ATTACHE WAS OUT OF OFFICE, BUT WOLFE LEFT NOTE STATING HE WAS DEPARTING FOR U.S. ON FOLLOWING DAY, AS WELL AS COPY OF REPORT WHICH HE EXPLAINED HAD BEEN SUBMITTED TO AN EXTRAORDINARY MEETING OF THAI-AM SHAREHOLDERS ON JULY 15. HE EXPLAINED THAT EXTRAORDINARY MEETING HAD BEEN CALLED IN ACCORDANCE WITH SECTION 1172 OF CIVIL AND COMMERCIAL CODE OF THAILAND, WHICH STATES: "THE DIRECTORS MAY SUMMON EXTRAORDINARY MEETINGS WHENEVER THEY THINK FIT. THEY MUST WITHOUT DELAY SUMMON SUCH MEETING WHEN THE COMPANY HAS LOST HALF OF THE AMOUNT OF ITS CAPITAL IN ORDER TO INFORM THE SHAREHOLDERS OF SUCH LOSS."

2. REPORT DESCRIBES IN SOME DETAIL THAI-MA'S FINANCIAL LOSSES OVER PAST YEAR, CLAIMED TO BE IN APPROXIMATE AMOUNT OF BAHT 20 MILLION, WITH COMPANY'S NET WORTH EXPECTED TO FALL BELOW BAHT 10 MILLION BY END OF JULY 1976.

3. FINAL PARAGRAPH OF REPORT READS AS FOLLOWS:

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"IN CONCLUSION, CON-AM, AS MINORITY SHAREHOLDER, RECOMMENDS

IMMEDIATE ACTION BY THE BOARD OF DIRECTORS TO DISSOLVE THE COMPANY IN ORDER TO AVOID FURTHER LOSSES TO THE SHAREHOLDERS. IF THE TAC DIRECTORS ARE UNABLE OR UNWILLING TO DISSOLVE THE COMPANY, CON-AM REQUESTS THE QUOTE T UNQUOTE SHAREHOLDERS PROVIDE CON-AM WITH A FIRM CUTOFF DATE FOR THE PURCHASE OF ITS SHARES IN THAI-AM AND HOLD CON-AM HARMLESS FOR ALL LOSSES OR ACTIONS TAKEN BY THE THAI MANAGEMENT OR THE QUOTE T UNQUOTE DIRECTORS AFTER THE CUTOFF DATE."

4. EMBASSY WILL POUCH COPY OF REPORT TO OPIC.
WHITEHOUSE

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Message Attributes

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